



Claim No.: C-24-11-266
Neutral Citation: 2026-BCMDCCFB-041

IN THE MATTER OF THE MOTOR DEALER ACT, RSBC 1996 C 316 and the MOTOR DEALER CUSTOMER COMPENSATION FUND REGULATION, BC REG 102/95, OC 271/95

FILED BY:

Douglas Haveman

Claimant

INVOLVING:

**Ready Auto Sales Ltd.
Dealer Licence 41289/Cancelled**

Motor Dealer

DECISION OF THE MOTOR DEALER CUSTOMER COMPENSATION FUND BOARD

By way of written submissions.

[1] On February 18, 2026, the claim for compensation from the Motor Dealer Customer Compensation Fund (the "**Fund**") was presented to the Fund Board (the "**Board**") for hearing.

Decision

[2] This claim has been denied.

Claim Summary

[3] The Claimant alleges:

[4] On May 5, 2023, the Claimant attended Ready Auto Sales Ltd. ("**Ready Auto Sales**") and purchased a 2015 Kia Optima (the "**Kia**") for \$11,500.00. Following the instructions from Footrat Sultan (the "**Salesperson**"), whom the Claimant knew from previous transactions as a salesperson of Ready Auto Sales, the Claimant made the cheque payable to Canadian Maple Leaf Auto ("**CMLA**"). The Claimant says that the Salesperson told the Claimant that CMLA was the wholesale division of Ready Auto Sales.

[5] After driving the Kia for a few days, the Claimant began experiencing issues with the Kia. Following diagnostic testing at another dealership, the Claimant decided not to keep the Kia.

[6] On June 24, 2023, the Claimant delivered the Kia to the premises of Ready Auto Sales for sale on consignment and agreed with the Salesperson to a consignment price of \$13,000.00.

[7] On June 24, 2023, the Salesperson sold the vehicle for \$9,000.00, and a Toyota Camry was taken as trade-in as part of the deal. The Salesperson sent the Claimant's wife, Wendy Haveman ("**Wendy**"), an electronic bank transfer for \$2,000.00, which was successfully deposited.

[8] On June 29, 2023, the Salesperson provided the Claimant with a cheque in the amount of \$7,000.00, which was successfully deposited into Wendy's bank account.

[9] The Claimant is seeking compensation of \$2,500.00 from the Fund.

Legislative Authority and the Board's Findings

[10] The Board reviewed the documents on file, copies of which were provided to the Claimant and to the Motor Dealer at the pre-hearing stage. Both parties had an opportunity to respond to those documents. The documents included:

- (i) Demand to Motor Dealer;
- (ii) Claim Application;
- (iii) Summary by the VSA's Investigations Officer;
- (iv) Investigation Cost Recovery Invoice; and
- (v) Claimant's Response to the investigation Summary.

[11] The documents on file did not support the Claimant's allegation that CMLA was the wholesale division of Ready Auto Sales. Canadian Maple Leaf Auto is a registered business name of the Salesperson, but there is no evidence in the file to suggest that it has any legal relationship with the Motor Dealer. The Salesperson previously held a motor dealer's licence under the business name "Canadian Maple Leaf Auto", but that licence was suspended in 2019 and expired in 2020. The Claimant has provided written submissions arguing that he believed that he was dealing with Ready Auto Sales, but that belief, no matter how genuine, is not sufficient to prove that an agreement existed between the Claimant and Ready Auto Sales. There is no documentation in the file to corroborate the existence of an agreement between the Claimant and Ready Auto Sales. The file does not contain any consignment agreement with Ready Auto Sales or anyone else.

[12] On the contrary, there is documentation in the file that indicates the existence of a series of transactions between the Claimant, Wendy, and the Salesperson (using the business name of CMLA). Wendy's bank statement shows that the deposit she received on June 26, 2023, was from CMLA, and so was the transfer she received on June 29, 2023. A Transfer/Tax form dated June 24, 2023, shows that ownership of the Kia was transferred from the Claimant to the Salesperson, doing business as CMLA, not to Ready Auto Sales.

[13] When considering the eligibility of this claim for compensation from the Fund, the Board applied Section 4(b) of the *Motor Dealer Customer Compensation Fund Regulation* (the "Regulation"). This section expressly states that a delivery of a vehicle for consignment to a registered motor dealer is a requirement to apply for compensation:

(4) *"Who may apply for compensation?*

An individual who, on or after the day this regulation comes into force,

(b) delivers a motor vehicle to a registered motor dealer for sale by the motor dealer as an agent on commission, ...

... may apply for compensation from the fund."

[14] The Board found that this claim does not meet the above requirement as there is insufficient evidence to corroborate the Claimant's assertions about the involvement of Ready Auto Sales in the transaction to which this claim relates. In particular:

- (i) There is no contract to prove the consignment of the Kia to Ready Auto Sales, the dealer against whom this claim is made.
- (ii) Canadian Maple Leaf Auto was not a registered motor dealer at the time when the cheque for the sale of the Kia was issued.

[15] The Board can only deal with claims that fall within the specific terms of the *Regulation*. The Claimants may have other legal remedies available to them and are encouraged to do their own investigations into other possible remedies. Attached is the Vehicle Sales Authority of BC (the "VSA") Fact Sheet *Where to go for help*.

Investigation Cost Recovery by the VSA

[16] Pursuant to Section 22(b) of the *Motor Dealer Act* (the "MDA"), costs incurred in investigating claims against the Fund must be paid from the Fund.

[17] The Board reviewed the VSA Investigation Cost Recovery Invoice for this claim - Invoice #24266. The Board approved the invoiced investigation costs for \$463.05 for recovery by the VSA from the Fund.

Reimbursement to the Fund by the Motor Dealer

[18] According to Section 24 of the *MDA*, if a claim is paid out of the Fund, the motor dealer who caused the claim must reimburse the Fund for the amount paid out of the Fund for the claim and the investigation costs. The Registrar of Motor Dealers may cancel the dealer licence of the motor dealer who caused the claim if the Fund is not repaid.

[19] Since this claim is denied, the investigation costs will not be charged to Ready Auto Sales.

Reconsideration

[20] According to Sections 16(2), 18.1 and 18.2 of the *MDA*, the Board may, at its discretion, reconsider its decision. The Board will consider a request for reconsideration from a party to a claim, provided that the request is made in writing and includes relevant evidence that was not previously considered by the Board and was not known or available to the party before the hearing. All parties to a claim will be notified if the Board decides to reconsider its decision. An application for reconsideration must be made in writing within 30 days of the decision.

Date: March 18, 2026

Motor Dealer Customer Compensation Fund Board

Per:

/Original is signed/

Mary Childs, Board Chair

Attachment
MC/ds/ag/jm